

Draft of Gambling Control Board Meeting Minutes
September 20, 2006
45 Commerce Drive, Augusta, Maine

Meeting opened at 12:35 p.m.

Board members present: Chairman George McHale, Peter Danton, W. Lawrence Hall, Michael Peters and Cushing Samp

Staff members present: Exec. Director Robert Welch, Lt. Patrick Fleming, Auditor Scott Woods and Secretary Kathy Chamberlain.

Legal counsel: Melissa O'Dea, Ass't Attorney General

- **Minutes from August 11, 2006 meeting approved.**

Motion to accept: Mike Peters

Seconded: Cushing Samp

Vote: 5-0

- **Executive Director's Report – Robert Welch**

1. Budget Update for 2008-2009.
2. Scientific Games had their database shut down on 8/5/2006, but the 2nd database took over as it was designed to do, so all in order. (Someone logged off system instead of individual log off.)
3. Retroactive per diem for Board – travel vouchers were passed out for Board signatures.

- **State Police Activity Update – Lt. Patrick Fleming**

Lt. Fleming reported that all is going well with S.P. staff, inspectors and daily activities at the Racino.

- **Unfinished Business - none**

- **New Business:**

- **Licensure Hearing on Aristocrat Technologies – Slot Distributor**

Exec. Dir. Welch addressed the Board and offered a recommendation that the distributor license be renewed. The recommendation included a letter received from Det. Armstrong indicating that he did not uncover anything negative in his investigation of Aristocrat.

Andy Grover, CPA from Macdonald, Page & Co. LLC, provided the Board with a letter containing his evaluation of Aristocrat's financial information submitted to the Board. He addressed the Board, sharing that he gave the applicant a clean opinion or bill of health, that it is in good financial standing, and that he saw no significant changes since last year.

Mike Mauser, Director of Regulatory Compliance for the applicant, was present at the meeting and addressed the Board briefly.

Public Comment: none received

Motion: Mike Peters made a motion that a license for Slot Distributor be granted for Aristocrat Technologies.

Seconded: Larry Hall

Vote: 5-0

- **Licensure Hearing on N.R.T. Technology Corporation – Vendor**

Exec. Dir. Welch addressed the Board and offered a recommendation that the vendor license be renewed. The recommendation included a letter received from Det. Armstrong indicating that he did not uncover anything negative in his investigation of NRT.

Andy Grover, CPA from Macdonald, Page & Co. LLC, provided the Board with a letter containing his evaluation of NRT's financial information submitted to the Board. He opined that the company is very financially responsible. He addressed the Board, and advised that N.R.T.'s debt ratio is improving and their product is attracting several large vendors. He also shared that N.R.T. had received an award for being one of the 50 Best Managed Companies in Canada, as well as Entrepreneur of the Year.

A letter was received from N.R.T. as representation, asking that their license be renewed

Public Comment: none received

Motion: Mike Peters made a motion to accept application for renewal of license as a Gambling Services Vendor for N.R.T.

Seconded: Larry Hall

Vote: 5-0

- **New Business continuing.....**

Chairman McHale suggested that the Board delegate the authority to make decisions on all renewal licenses to the Executive Director. This would be in addition to his current authority to approve all employee licenses, both new applications and renewals.

Motion: Mike Peters made a motion to delegate that authority to the executive director.

Seconded: Peter Danton

Vote: 5-0

- **Public Comments**

Jon Johnson, General Manager of Hollywood Slots of Bangor, presented a financial update to the Board. He also did a presentation on the design and drawings for the permanent facility, slated to open mid 2008. The Parking garage will hold 1500 cars. The gaming facility will be a one story building with a mezzanine – about 120,000 square feet total. There are plans for a hotel, but not in the immediate future. When built, it will be seven floors with 150 rooms. The agreement with the City of Bangor requires them to build it once the net revenues reach \$120 million. The building structure and color were designed to blend in with the buildings in the area, will take in about 7.8 acres and will cost approximately \$90 million, not including the cost of the hotel. The facility's policy will be to have the O.T.B. minimum age at 21, not 18.

On a separate matter, Mr. Johnson shared that he has received calls questioning whether the Board's non-binding resolution calling for a moratorium on the expansion of gambling meant that the Board was opposed to Hollywood Slots' permanent facility. The Board advised that it did not intend to include the permanent facility, which has already been approved by the voters and the Legislature.

- **Financial Update – Scott Woods**

Mr. Woods advised the Board that the reporting day is now Tuesday instead of Monday, as discussed at the last meeting. There have been consistent playing amounts at the Racino – Saturdays usually over 2 million, Friday occasionally is 2 million. The 39% revenue that is distributed to the various beneficiaries goes to the General Fund first and is disbursed from there. Scott is also reviewing licensed employee tax returns for the State Police staff within the unit. Business entities and Key Executive tax returns are sent down to Andy Grover at Macdonald, Page to review.

- **Next meeting date – October 26, 2006 at 12:30 p.m.**

Meeting adjourned

Respectfully submitted,

Kathy Chamberlain
Secretary
Gambling Control Unit